



THE GEORGIA LAND CONSERVATION PROGRAM

2012 ANNUAL REPORT



*Enhancing the State's Natural and Cultural Legacy by
Permanently Protecting Georgia's Most Valued Resources*



LAND CONSERVATION COUNCIL

Five state agency leaders and four gubernatorial appointees comprise the Land Conservation Council, which governs the Georgia Land Conservation Program (GLCP). The Georgia Environmental Finance Authority (GEFA) provides GLCP staff and program resources.



Steve Stancil, Chairman
State Property Officer
State Properties Commission



Michael A. Beatty
Commissioner
Department of Community Affairs



Dr. John Bembry
Tree Farmer and Veterinarian



Brent L. Dykes
Executive Director
Georgia Soil and Water Conservation
Commission



Robert Farris
Executive Director
Georgia Forestry Commission



Chuck Leavell
Musician and Owner
Charlane Plantation



Paul H. Michael
Vice President
TPA Realty Services



Stacy R. Patton
Managing Member
Minerva Real Estate



Mark Williams
Commissioner
Department of Natural Resources



EXECUTIVE SUMMARY

The mission of the GLCP is to preserve a statewide network of land and water resources for current and future generations to use and enjoy. The GLCP works with local governments, state and federal agencies, landowners, and non-government organizations (NGOs) to permanently protect natural, agricultural, historic and recreational areas.

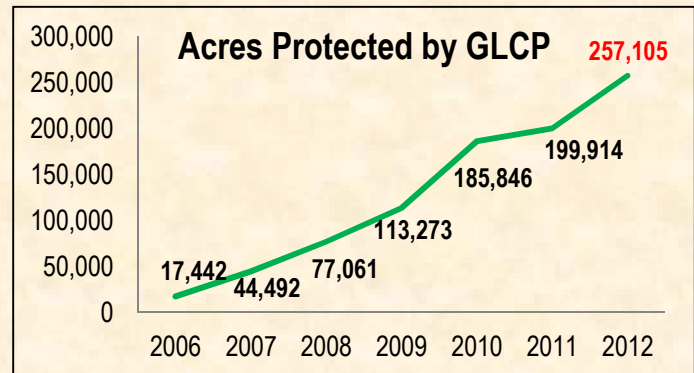
Since the Georgia Land Conservation Act was passed in 2005, *the GLCP has played a role in permanently protecting 257,105 acres of land.* Financing is the GLCP's primary mechanism for supporting land conservation. The GLCP offers grants, due diligence micro-grants, state income tax credits and low-interest loans to fund and incentivize the permanent protection of the state's natural resources.

One of the hallmarks of the GLCP is that it pursues its mission with fiscal responsibility. Project applications undergo thorough financial and environmental reviews by the

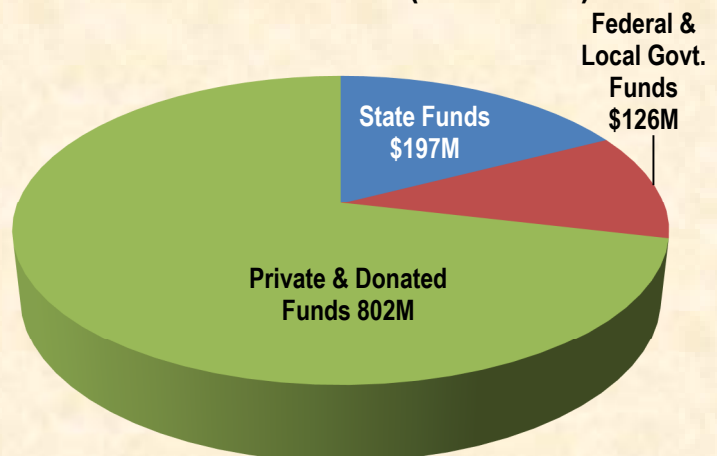
- Georgia Environmental Finance Authority (GEFA),
- Department of Natural Resources (DNR),
- Environmental Protection Division (EPD),
- State Properties Commission (SPC),
- Department of Revenue (DOR) and the
- Georgia Land Conservation Council.

This process ensures that projects achieve a maximal amount of funding leverage and cost-efficiency. Together with other state and federal agencies, private sector conservation groups and generous landowners, the GLCP has leveraged \$197 million in state funds to conserve approximately \$1.125 billion worth of conservation land – *a nearly five-to-one return on Georgia's investment.*

The GLCP helped conserve more than 57,000 acres in 2012, including buffers on important waterways, habitats for endangered species, and active agricultural and timber lands. Council members and staff continued to build upon fruitful partnerships and refine the program's offerings to encourage conservation activity. The GLCP will continue these efforts in 2013 with a focus on facilitating conservation projects, leveraging the state's investments in conservation, and communicating the benefits of conservation to various audiences.



Georgia Land Conservation Funding Total: \$1.125 Billion (2005-2012)





CONSERVATION FINANCE TOOLS

The GLCP promotes permanent land conservation by offering flexible and cost-effective financing options to local governments, state agencies and conservation organizations. The program offers the financing tools below.

COMPETITIVE GRANTS: The 2005 Land Conservation Act created the Land Conservation Trust Fund, which is capitalized by state appropriations. Grants were awarded from the Land Conservation Trust Fund on a competitive basis to state agencies and local governments. No funds were allocated to the Trust Fund in fiscal years 2009-2013, so the GLCP suspended its grant program.

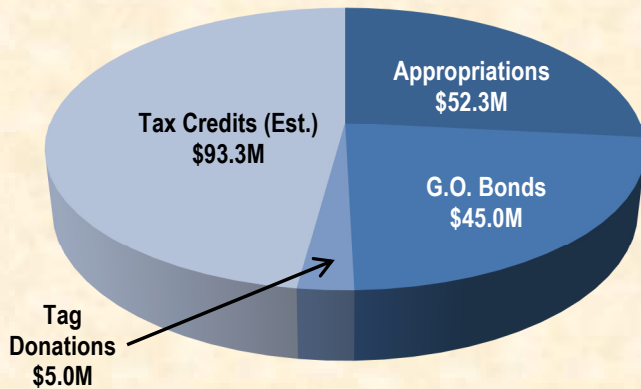
DUE DILIGENCE MICRO-GRANTS: The GLCP provides micro-grants of up to \$30,000 to reimburse state agencies for legal and other expenses associated with accepting conservation easement donations. These micro-grants are funded by donations from taxpayers on their state income tax returns through the [Checkoff Georgia](#) program. To date, the state has acquired 27 easements protecting a combined 33,147 acres with \$285,000 in taxpayer donations. In other words, *the state is protecting one acre of conservation land for about every \$9 donated to the GLCP*. The GLCP awarded three due diligence grants in 2012, including one to the Georgia Forestry Commission for accepting a donated conservation easement on the 3,200-acre Red Oak Creek tract in Meriwether County (*bottom left*).

LOW-INTEREST LOANS: The GLCP offers loans to local governments and NGOs to complete land conservation projects. The Land Conservation Loan Fund is capitalized with \$55 million from the federal Clean Water State Revolving Fund (CWSRF), which is jointly administered by GEFA and EPD. More than \$15 million has been awarded from the loan fund since 2005 to protect almost 15,000 acres through 13 different projects. The GLCP awarded two loans in 2012 – one for \$1.8 million to the Nature Conservancy for the 6,278-acre Boyles Island tract (*bottom center*), and another for \$2.4 million to the Conservation Fund for the 2,783-acre Rocky Hammock tract (*bottom right*).

CONSERVATION TAX CREDITS: The GLCP funds and jointly administers the state's Conservation Tax Credit Program in partnership with DNR and DOR. Tax credits are available to donors of both fee-title lands and easement-restricted lands that are determined to have significant conservation values. Since 2007, the tax credit program has incentivized the protection of 164,265 acres through the certification of 413 conservation donations. In 2012, DNR certified 70 donations covering 48,131 acres.



State Conservation Funds Total: \$196.2 million



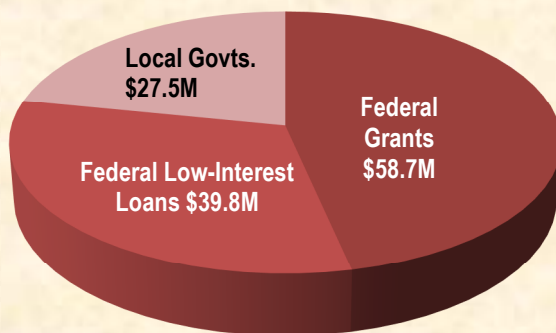
APPROPRIATIONS by the state Legislature are awarded to conservation projects on a competitive basis.

GENERAL OBLIGATION BOND funds have been issued to DNR for use in acquiring conservation lands.

TAX CREDITS represent the total value of state income tax credits awarded to donors of conservation lands and easements. This figure is produced by DOR, and must be estimated from applications approved through 2012.

TAX AND TAG DONATIONS refer to monetary donations by Georgia citizens from the purchase of wildlife license plates and checkoffs on state income tax forms that have been used to conserve land as part of a GLCP project.

Local and Federal Funds Total: \$126 million

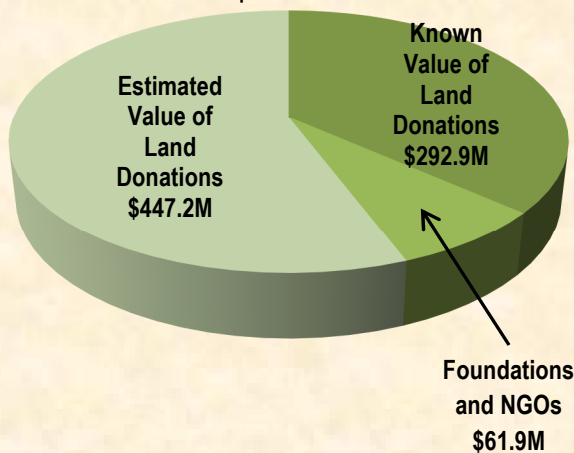


FEDERAL GRANTS are made on a project-specific basis by agencies such as the U.S. Fish and Wildlife Service and the U.S. Forest Service.

LOW-INTEREST LOANS consist of remaining loan funds from the U.S. Environmental Protection Agency that are dedicated for land conservation through GEFA.

LOCAL GOVERNMENT contributions take the form of loan repayments and cash commitments to projects.

Private Conservation Funds Total: \$802 million



FOUNDATIONS AND NGOs include grants and contributions from private sector conservation foundations and organizations.

LAND DONATIONS include donations made by landowners for conservation purposes. These include savings achieved through discounted sales of conservation land or easements and the fair market values of successful applications for state tax credits. Based on **known values** of tax credit-eligible donations, GLCP can also extrapolate an **estimated value** of tax-credit-eligible donations for which exact values are unknown.



2012 HIGHLIGHTS

The GLCP continued to accomplish the permanent protection of the state's most valuable conservation lands during 2012. Additionally, staff made administrative changes in its grant, loan and tax credit offerings that will better position Georgia to advance future land conservation efforts statewide.

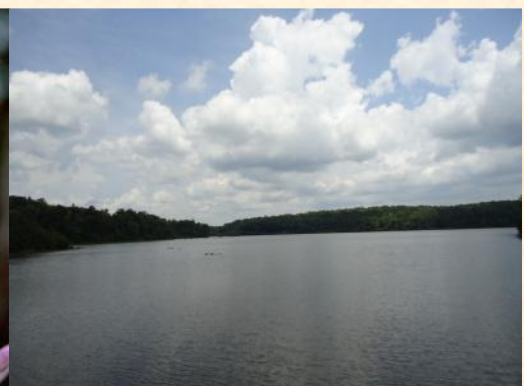
PROGRAM ACCOMPLISHMENTS: In cooperation with its agency and NGO partners, the GLCP approved 75 land conservation projects in 2012 that permanently protect more than 57,000 acres. Projects included low-interest loans, due-diligence grants and tax credit donations. The GLCP awarded \$4.2 million in low-interest loans and \$50,000 in due diligence grants during 2012. Using the average land value of \$3,540.50 per donated acre, DNR approved tax credits for newly donated conservation lands valued at more than \$170 million in 2012. The state awards no more than 25 percent of this value (\$42.5 million) to donors in the form of conservation tax credits.

ADMINISTRATIVE CHANGES: GLCP staff implemented numerous administrative changes during 2012.

- **Revised interest rates** on loans to reward borrowers that accept shorter-term loans. The chart below outlines the new staggered interest rate schedule. Rates are indexed to a set number of basis points (bp) below the rate received by the state of Georgia during its most recent general obligation bond issuance (GO). On December 31, 2012, the GO rate was 2.4 percent. Rates are further subject to a minimum 'floor' of 0.50 percent (indicated with an asterisk).
- **Standardized loan fees** to 1 percent on all land conservation loans.
- **Transitioned program staff** into the Water Resources Division at GEFA.

Loan Term	Interest Rate	Rate Formula
0-5 years	0.50%*	GO - 75 bp
5-10 years	0.50%*	GO - 100 bp
10-15 years	0.68%	GO - 125 bp
15-20 years	0.90%	GO - 150 bp

TAX CREDIT PROGRAM REVISIONS: GLCP staff worked with representatives from the Governor's Office, SPC, DNR, GFC, DOR, the Department of Law and private sector conservation groups to revise the Conservation Tax Credit Program. The recommendations aimed to minimize potential abuses by refining program standards while still retaining this important incentive for voluntary land conservation. The group's recommendations were incorporated into House Bill 386 and became effective on January 1, 2013. GLCP staff advised the DNR, SPC and DOR in 2012 as these agencies made corresponding changes to their administrative rules.





2013 INITIATIVES

The GLCP will build on successes from previous years by continuing active programs and expanding other offerings to maintain a suite of diverse funding options for Georgia's land conservation projects.

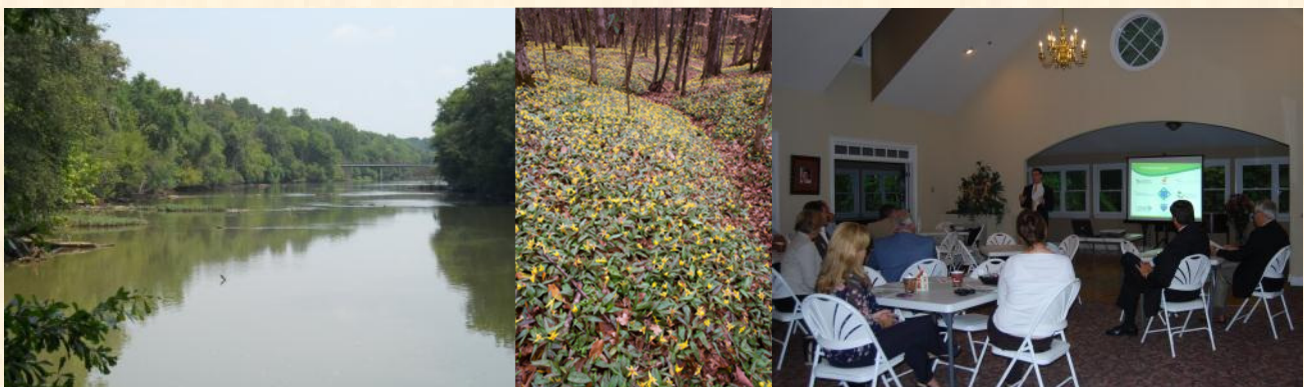
FACILITATE GEORGIA'S INVESTMENTS IN CONSERVATION. The GLCP serves as a conduit for the state's direct financial investments in conservation. It makes loan capital available to help non-state entities accomplish important conservation projects. The GLCP also funds and helps administer the Conservation Tax Credit Program, the state's most substantial contribution to conservation. The GLCP will act to encourage conservation in Georgia by:

- Granting proceeds from [Checkoff Georgia](#) donations to state agencies accepting conservation donations;
- Making loans available to local governments and NGOs for water quality protection projects; and
- Providing administrative and financial assistance to efficiently execute the Conservation Tax Credit program.

MAXIMIZE THE VALUE OF GEORGIA'S CONSERVATION INVESTMENTS. The GLCP has helped to leverage Georgia's conservation investments with those of federal agencies, local governments, landowners and NGOs at a ratio of nearly five-to-one. Leveraging is critical for effectively pursuing the program's mission in today's difficult budget climate. The GLCP will seek match funding from the following sources in 2013.

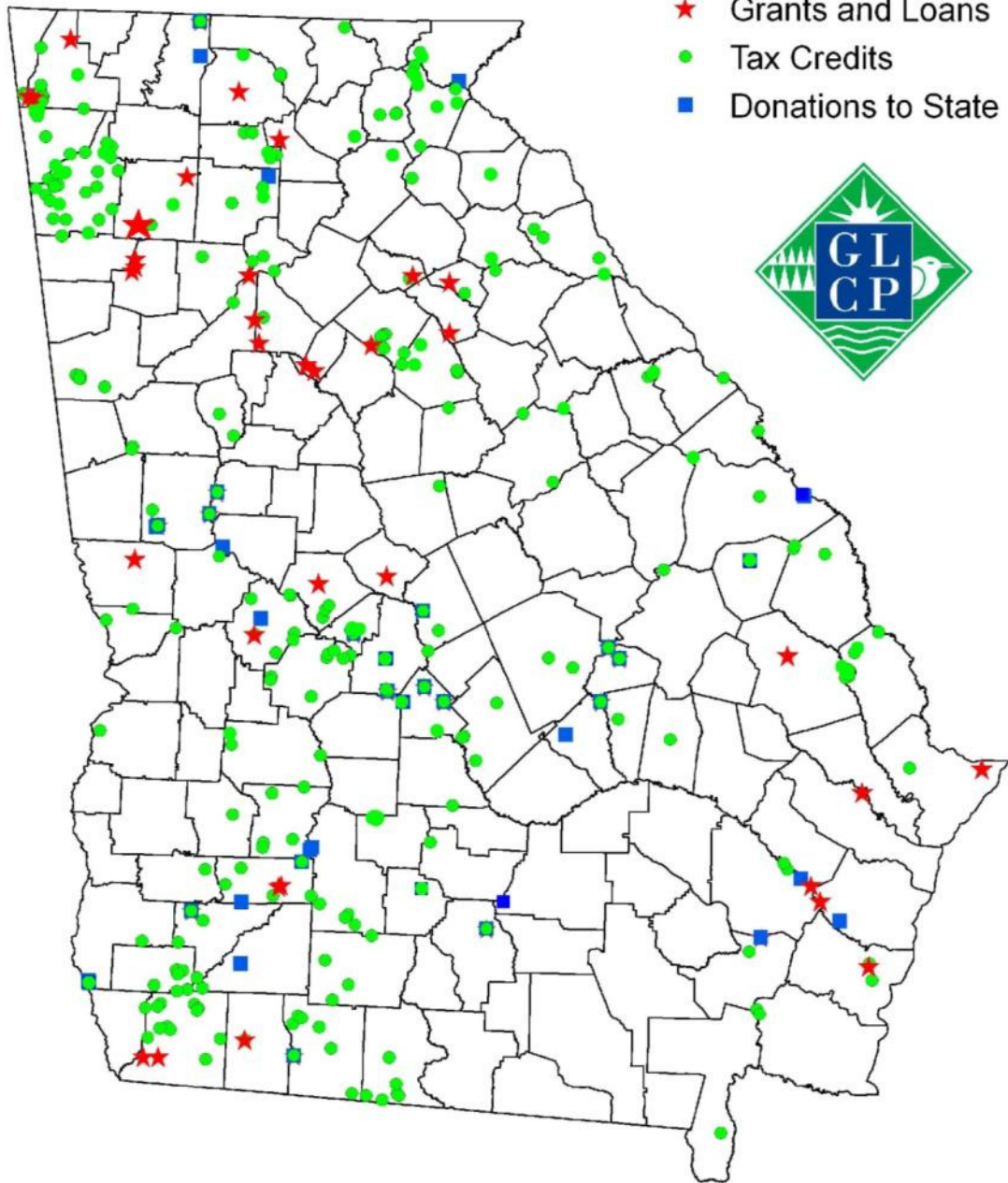
- **Loan repayments from local governments and NGOs.** Loan financing with its gradual repayment structure is more attractive to most borrowers than providing funds upfront. Borrowers may utilize income streams ranging from SPLOST revenues to membership donations to repay GLCP loans. Consequently, the GLCP aims to loan at least \$5 million this year to projects such as the city of Euclid's Etowah River project (*below left*).
- **Federal grants.** Federal conservation programs provide matching grants to permanent land conservation projects. The GLCP intends to use its available funds to generate \$10 million in match funding in 2013.
- **Private donations.** The most substantial source of value for conservation in Georgia comes directly from its residents. Private landowners donate land and property rights, while NGOs award grants and provide staff support to individual conservation projects. The GLCP will continue to seek projects like the Wolf Creek tract (*below center*) and Wiley Farm, which are examples of the state leveraging its funds with both land value donations and volunteer support to maximize conservation outcomes.

DEVELOP A PROGRAM COMMUNICATIONS PLAN. The GLCP will draft a communications plan during 2013. It will incorporate feedback from Land Conservation Council members and from a comprehensive survey of past, present and potential customers. The plan will refine and focus the program's outreach efforts in order to improve communication among landowners, agencies, NGOs and other stakeholders.



(2012 VERSION OF MAP PENDING)

GEORGIA LAND CONSERVATION PROGRAM APPROVED PROJECTS 2005 - 2011



Georgia Environmental Finance Authority
Land Conservation Program
233 Peachtree Street NE, Suite 900
Atlanta, Georgia 30303
Phone: 404-584-1101

